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**FISCAL IMPACT STATEMENT**

**LS 7876**

**BILL NUMBER:** SB 604

**NOTE PREPARED:** Jan 13, 2005

**BILL AMENDED:**

**SUBJECT:** Licensing of Electricians.

**FIRST AUTHOR:** Sen. Landske

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill establishes: (1) the Electrical Industry Licensing Board; (2) licensing requirements for electrical contractors; and (3) the Electrical Industry Licensing Board Fund. It also appropriates to the Electrical Industry Licensing Board an amount sufficient to fund the licensing and regulation of electrical contractors.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** This bill creates the seven-member Electrical Industry Licensing Board. The Professional Licensing Agency (PLA) will provide administrative support for the Board. The fiscal impact of this bill is based on board member expenses and administrative expenses.

*Board Member Expenses:* Each board member would receive minimum salary per diem and travel expense reimbursement. As of January 2005, the per diem for lay members was \$50 and the mileage reimbursement rate was \$0.34 per mile. It is estimated that the average cost for the Board would be approximately \$635 per meeting. If the Board was to meet once a month, the annual cost would be approximately \$7,620. All expenses accrued by the Board would be paid out of the Electrical Industry Licensing Board Fund.

*Administrative Expenses:* Additional expenses include printing costs for applications and forms, and postage for reissue notices of the new proposed license. Based on the PLA's estimates, the costs associated with license and renewal forms is approximately \$190 per one thousand forms. Postage costs \$0.83 per license and \$0.28 per renewal.

One to two additional COMOT 3 positions may be needed to manage a new board. If additional staff is needed, the cost of one position is approximately \$35,585 in FY 2005 and \$35,057 in FY 2006, and the cost of two positions is \$71,170 in FY 2005 and \$70,114 in FY 2006. The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations.

As of January 6, 2005, the PLA employed 32 authorized full-time staff members; eleven positions were vacant. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions. All expenses incurred in administering the Board shall be paid out of the Electrical Industry Licensing Board Fund.

**Explanation of State Revenues:** The Board may establish fees for the licensure of electrical contractors. Presumably, fees will be set at a level designed to cover expenses. The amount of revenue that will be generated by this proposal is indeterminable, but will depend on the number of electricians who seek licensure.

This bill also establishes the Electrical Industry Licensing Board Fund to provide funds for regulating and licensing of electrical contractors. Licensing fees and civil penalties collected under the electrical contractor licensing law are to be deposited in the Fund. Money in the Fund does not revert to the State General Fund at the end of the fiscal year and is continuously appropriated for use by the Board, who will administer the Fund.

*Penalty Provision* - Any person who violates the electrical contractor licensing law commits a Class B misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

**Explanation of Local Expenditures:** *Penalty Provision* - The average daily cost to incarcerate a prisoner in a county jail is approximately \$44. A Class B misdemeanor is punishable by up to 180 days in jail.

**Explanation of Local Revenues:** *Penalty Provision* - If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** Professional Licensing Agency.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Professional Licensing Agency.

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